

1910

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SPEECH ON THE BUDGET

DELIVERED IN THE LEGISLATIVE ASSEMBLY

BY

HON. A. G. MACKAY

FEBRUARY 17th, 1910



Speech on the Budget Delivered in the Legislative Assembly by Hon. A. G. MacKay

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Mr. Speaker:—This debate has covered a wide range of subjects, and has been throughout at once interesting and instructive. In this Legislature, as in probably all similar Legislatures, there are two what may be called stereotyped debates—that on the Address, and that on the Budget. There is a seemingly growing custom, and one, I think, that ought to be encouraged, unless some large dominating issue is at stake, namely, of curtailing the length of the debate on the Address and of dealing with a variety of subjects on the Budget debate. Technically this may be wrong. The Address naturally suggests the wide range; the Budget naturally suggests a financial discussion. Yet as the Receipts and Expenditures of the Province suggest almost every phase of Provincial work, there is little or no difference, even technically, in the scope of subjects, and my view is that we get a maturer and more considered discussion of all subjects when dealt with as we are doing this session, under the head of the Budget, and prior to which honorable members have had a few days or weeks to settle down to work. (Applause).

Permit me, Sir, at the outset to say that we are all delighted that the Honorable the Provincial Treasurer, who opened this debate, is able again to be present in the House at its close.

EXPENDITURES IN EXCESS OF RECEIPTS.

First of all, let me note what I think is the leading characteristic of the financial speech made by the Honorable the Provincial Treasurer—a characteristic which occurs and has persistently recurred with his every annual statement—and that is, Mr. Speaker, that the current annual expenditures invariably exceed the current annual receipts. (Applause). I make no alarming statement. I am not naturally an alarmist, but I apprehend, Sir, that it is the duty of the Honorable the Provincial Treasurer, and it is the duty of this Government, or of any Government, to fairly place the financial position of the Province before the House, in order that, if my statement is true (and I shall proceed to prove it), namely, that the current and ordinary receipts are less than the current expenditures, we may seek to remedy that, and seek to devise ways and means whereby the current expenditures shall be brought within the current receipts. (Applause).

It is not good financing; it is not, Sir, a sound system of financing, that year by year produces a balance on the wrong side of the ledger. True, Sir, the honorable gentleman claims a surplus, but he produces that apparent surplus by a method of bookkeeping that no sane, competent accountant could or would approve of. (Applause).

Now, Sir, if you take up the Statement as presented to this House, and view it from a reasonable standpoint, or view it from the standpoint from which the Honorable the Provincial Treasurer was wont to view the position in former years, you will see that there are a great many figures given as ordinary current receipts that are really receipts under capital account. Take the Crown Lands Department, and we find from the sale of Crown Lands alone, Sir, the receipts amount to \$362,801.66; we find in the receipts from the woods and forests two items of \$285,571.41 and \$529,422.50, making a total of \$1,177,715.50, set down as current receipts that are nothing else, and cannot be classed as anything else, than receipts on capital account.

Who can truthfully say that the proceeds from the absolute sale of lands are current receipts? These lands are parted with forever by the Crown, and there will never henceforth be any receipts from them; therefore to characterize the price they bring as a current or annual receipt is simply absurd. (Applause). Again, what sense is there in claiming that the revenue derived from the absolute sale of timber is a current receipt? If the timber crop were a perennial one, then

such claim might reasonably be made. But when this is not a fact, and when nothing is being done towards reforestation, this claim is absolutely untenable. (Applause).

There is an old proverb that you may appeal from Philip drunk to Philip sober, and if I desired to make such appeal I could point to the position the honorable gentleman took many years ago when he argued (and I think fairly argued) against his present theory. I find him reported in the "Mail & Empire" of February 21st, 1896. Then he properly held that the Crown Lands were capital, and that they should be regarded as available only for expenses on capital account, such as public buildings, colonization roads, and expenditures of that class. Then again, at a different date, April, 1903, he is reported in the "Mail & Empire" as saying: "Colonel Matheson then claimed that the ordinary revenue in 1902, leaving aside the receipts from the sale of timber, failed to meet the expenditure by \$247,000." However, it is but fair, Mr. Speaker, to the Honorable the Provincial Treasurer, and but simple truth, to say that in this year's financial statement, on the opposite side of the account there are a number of items of capital expenditure. But my argument is this, if you take from the receipts contained in the financial statement what may fairly be classed as capital receipts and take from the expenditure what may fairly be classed as capital expenditure, you will find a very substantial deficit. (Applause). I do not desire to mislead the House. Under the head of expenditures will be found the following: Colonization Roads, \$449,206.66; Parliament Buildings, addition, \$15,311.06; Winter Fair Building, \$24,000.00; Public Works, \$130,403.71; Drainage Works, \$10,250.00, and other like items. What I do urge is that when you have removed all items that may fairly and reasonably be classed as capital items from both sides of the statement, the result is an absolute deficit of at least a quarter of a million dollars. (Applause). Last year I showed that the deficit was much larger.

Now, there is little object in pointing this out to the House if we simply stop with noting the fact; as there is just as little object in making the opposite statement if it misleads the House. We ought not to mislead ourselves; we ought not to mislead the public. If my statement is true, and it undoubtedly is, it suggests action on the part of this Government to provide ways and means, and to do some constructive financing whereby the receipts of the Province will be increased in order that the current receipts may be in excess of the current expenditure. (Applause)

REFORESTATION.

I have shown that from three items alone in the Crown Land Department we last year received the large sum of \$1,177,715.50. From Confederation down until now, regardless of what Government has been in power, the Crown Lands have been a very heavy source of revenue. The vital question suggested by this yearly deficit, in view of the heavy draft annually made upon Crown Land assets, is, "How long will our timber wealth stand this gradual but continual depletion?" This, Sir, is a business problem and we should approach the question as sane, business men. I intend to address myself to these questions in a business way, avoiding as far as possible the narrow and partisan spirit that enters into too many of our discussions, and that so much detracts from them. (Applause). If our present policy continues, where will we land? If our timber wealth is being gradually depleted for current expenditure from year to year; if we are gradually lessening our forest wealth, what must the inevitable result be? We boast ourselves that we have limitless forest wealth. Let me point out, Sir, that as far back as 1898 the then Clerk of Forestry for this Province, in his Annual Report makes the following important and suggestive statement: "The mistaken but persistent opinion that our supply of the best varieties of timber was inexhaustible has at last been effectually exploded, and the people have come to realize that it is only by judiciously safeguarding our remaining woodlands, and by giving the natural principle of reproduction an opportunity to assert itself, that we can hope to avert scarcity in the future." Sir, the Dominion Commission of Conservation may do much as an Advisory Board, but they are not and cannot conveniently be made an executive or administrative body. The actual work must be done by the owners of the timber—in our case by the Government of this Province. We must not allow ourselves silently to drift into the position in which the American nation now finds itself with reference to its timber supply. (Hear, hear). It is a remarkable fact that they are now on the verge of a timber famine, and that in the very teeth of intelligent work done and warnings sounded from many an educational centre for the past quarter of a century. Sir, I

repeat, at least twenty-five years ago that great nation to the south of us had as good sources of information then as we have now, and yet we know the result of unheeded warnings. For example, Cornell University, in addition to its splendid Forestry staff, had a 25,000 acre forest in which practical demonstrations and experiments in actual forestry were made. This and other similar educational centres sounded a clear, clarion note as to the inevitable depletion of forest wealth, and yet in the face of all such experimenting, in the face of all such warnings, I repeat, Sir, in many kinds of timber, notably the pulpwood variety, the American nation is on the borderland of famine. (Applause). It becomes, therefore, a very important question as to what we are doing towards reforestation. I find that as far back as 1895 a systematic enquiry was then made from all the Crown timber agents and all who had knowledge as to what the result of natural reforestation was over burned districts and cut districts, and I find that the reports varied greatly. These reports, however, indicate that as to the burnt and cut areas, we cannot hope by natural reforestation alone to keep up our forest wealth, and therefore I say that it behooves the Honorable the Minister of Lands to deal with the question of reforestation in a practical and sweeping manner and to take all necessary steps to prevent our forest wealth from becoming in time permanently and entirely depleted. (Applause).

Now, Sir, for a moment let me glance at what is being done in older lands. In 1893 in Germany there were 6,050,445 acres of Crown forest regularly operated by competent foresters. The gross receipts from the forest were 69,781.34 marks. The expenditure, including the cost of replanting a large area and the erection of many new houses for a number of the foresters, was 36,319,707 marks. Notwithstanding all these exceptionally heavy expenditures, the net revenue for that year was \$8,030,785.68. (Applause).

REFORESTATION IN OLD ONTARIO.

Then as to Old Ontario. Something has been said by my honorable friend from Northumberland that we cannot depend upon Township and County Councils to take up the work of reforestation, and in the main I think he is right. Nevertheless, the municipalities might do much. We have waste lands in all our townships, and we have tax sale lands in all our townships, and speaking for myself, Sir, I desire to say that I would like to see our municipalities so amended that the municipalities themselves could purchase those lands and could expend a reasonable and fair amount of money, under Government regulations, in the reforestation of those lands.

I am convinced, Sir, that with proper direction, Municipal Councils might do much in Old Ontario, and that the time has come when we must do more than talk. This much is absolutely clear, that one main source of revenue is from Crown Lands, and we must make provision to perpetuate the forest wealth of our Crown Lands, or in time one great source of revenue will be cut off. (Applause).

An excellent illustration of the municipal ownership and operation of a forest is the Sihlwald Forest, near Zurich, in Switzerland. This forest has been municipally owned and operated for the past 2,000 years. It has proved a perennial source of large revenue to the municipality, and yet to-day it is better than it was 2,000 years ago. What has been done along these lines by the municipality of Zurich may well be done along other lines by the municipalities of the Province of Ontario. (Hear, hear and applause).

WHERE DOES THE MONEY COME FROM?

Having dealt with the question of receipts and expenditures, let me now deal briefly with the question of increased receipts. It is positively amusing to see the statements made by honorable gentlemen opposite with reference to the cases of increased receipts in recent years. The hero worship of honorable gentlemen is becoming not only alarming, but positively nauseating. It is true that the Government is able to give larger grants to agriculture and to our schools and to our public institutions. It does not follow that it is true that it is owing to the wise and economical management of the present Administration that they are able to do so. If, Sir, they are able to give seventy per cent. more to education and probably nineteen per cent. more to agriculture, and such and such larger percentages to different institutions, and if this is the result, as put by honorable gentlemen opposite, of the present economical management of the affairs of this Province, and if it is due to the present Government they are

able to do this, then the honorable gentlemen have made a very strong case and I will have very little right to advance any adverse criticism. But, Sir, are these the facts? Are the statements true? I put the question pointedly; I put it bluntly, Sir. Are these statements true? Is it true that the increased revenue in 1909 over 1904 is due to the wise and economical administration of the present Government? I have taken the trouble, Sir, to obtain from the Department the figures for the whole of last year, instead of for the ten months, in order that I may make fair comparisons. I find that the receipts in 1909 were \$8,782,400 odd. In 1904 the receipts were \$6,128,358, an increase of \$2,660,042. Now, Mr. Speaker, do those figures come from the economical management of the present Government? Are they due to any constructive financial legislation that has been passed by the present Government. If it is due to either or both of these sources, then to the present Government belongs the credit. But, Sir, if the increased receipts are not due to either source, and do not result from either cause, then the boasting of honorable gentlemen is not only vain, but their statements are entirely without foundation in fact. If, Sir, I am able to go back and trace this increase, as I can trace it, barring a few dollars, to the constructive financing done by the old Government—in many cases in direct opposition to the contentions of those who now form the present Government—then, Sir, I say that the credit belongs to the old regime. (Applause).

I want to say here, Sir, that as year by year rolls by—and we are now five years away from the time of the defeat of the old Government—and when I look back, Sir, and find that practically every dollar of that increased revenue comes through channels that the Liberals dug in years gone by, and when I recall the fact, Sir, that the old Liberal leaders were down in the trenches digging the ditches that led from the great corporations to the Financial Treasury, that led from the well-filled tills of the brewers and distillers to the Financial Treasury, that led by way of succession duties from wealthy estates to the Provincial strong box, when I find that the then Liberal leaders were laying the foundations deep and strong and that the then Opposition were seeking to frustrate their efforts; when I find, Sir, that the then Liberal leaders were down in the trenches digging the channels that I have named, and that the members of the present Government were down to give opposition and two or three times in each case had to be thrown out of the ditches as the work progressed, when I find all these things to be true, and when I find that the increased revenue flows in through those channels that the Liberals then dug, I am more than ever proud of the fact that I am a Liberal, and proud of the fact that I was a member of the old Government. (Applause). Let me meet the contention squarely as to whether it is the wise and economic administration of this Government that gives us these monies.

THE TAX ON CORPORATIONS.

Where, I ask, were the members of the present Government when the question of the Corporation Tax came up, when the Liberals submitted the proposition that should lay a special tax on the large and wealthy corporations, such as street railway companies, telephone companies, banking institutions, insurance companies and other large concerns, and this, Sir, at a time when the Liberals were being maligned from one end of the Province to the other as being the friend of the corporations; but when the Liberals took the ground that these large and wealthy corporations were not paying their fair share of taxes, where, I ask, were the members of the present Government? When the tax was proposed, Sir, the Liberals were met with the cry that it was direct taxation, and the present occupants of the Treasury benches moved for the first and second time the six months' hoist of the bill. Such was the attitude of the present Government with reference to the Corporation Tax. (Applause).

THE SUCCESSION DUTIES.

Then as to the Succession Duties. No juster tax was ever imposed in this or any other land. I have made the statement, and I repeat it, Sir, that no man, except by the aid of a large portion of the community with which he traded, or by a large number of employees who worked for him, was ever able to amass between the cradle and the grave three, four or five million dollars. (Applause). I say, Sir, that if the public have assisted such a man in gathering in that two, three, four or five million dollars that he leaves behind after he has shuffled off this mortal coil, then, Sir, the State, and in this case the Province, that has protected his property and his estate in piling up that wealth, is entirely justified in taking to itself some small percentage for such assistance and protection—

(hear, hear and applause)—particularly so, Sir, as it is an extremely popular tax and is levied at such a time and under such conditions as to never lead to an appeal against it. (Laughter).

TAX ON BREWERS AND DISTILLERS.

Then, Sir, what is the history as to the tax imposed upon the brewers and distillers? With reference to this particular tax against a wealthy class of people who carry on an extensive business and who gather in their revenues directly or indirectly from every township, every hamlet, every village, every town, every city in the Province. It was urged, Sir, that the municipalities should tax them where their head offices were, but, Sir, many agencies that occupy nothing but a 7 x 9 box-stall office in a town or city, cover a large portion of the Province, and it was only by bringing in the full sweep of the Provincial arm that they could be fairly taxed. We ask, where were the members of the present Government when this tax was proposed? They were particularly busy, they were extremely active, they were very apprehensive as to their friends, and they three times—not once or twice, but three times—moved a six months' hoist during the progress of this bill. (Applause).

MINING LICENSES AND FEES.

Next let me consider the receipts under the head of Mining License Fees. I made a statement last year, and I repeat it, Sir, that the law as it now stands in our statute books comes as a suggestion from this side of the House. Honorable gentlemen will recall that in 1906, when the general mining law was brought down and mention was made by the Honorable Minister of Mines of his intention to bring down a bill dealing with the collection of revenue as to mining, I strongly advocated that the tax should be upon a royalty basis and that the royalty should be graded according to the output of the mine. The Minister then distinctly stated that when the bill was brought down the tax would not be placed upon a royalty basis, indicating clearly that it was his then intention to make it an acreage tax. Sir, one year in advance of the bringing down of this bill we strongly advocated that the revenue should be obtained as a royalty upon the output of the mine. The Honorable Minister did not bring down this piece of legislation that year, but the next year he frankly announced that he had changed his opinion and he adopted in part the suggestion that we made the year before, and the result is that the mining revenues are collected as a royalty upon the output of the mines, though that royalty is not graded. (Applause). Therefore I claim, Sir, that so far as the receipts under the head of Mining License Fees are concerned, if they are satisfactory and if these receipts can be made the subject of laudatory remarks or congratulations to any one, the credit belongs to this side of the House, which suggested and emphatically argued in favor of the tax now in force. (Applause).

INCREASED DOMINION SUBSIDY.

Then again, as to the increased Dominion subsidy, the present Government are neither entitled to credit nor to censure with regard to this. The old Government had the work under way when the present Government took office. This Government continued the work when a conference of the Dominion and the Provinces was held, and the Dominion Government—a Liberal Government—largely increased the grant to this Province. The Province was entitled to it. Its population had greatly increased since the last arrangement, and it will not be forgotten that it was a Liberal Government that granted this Province an increase. (Applause).

THE T. & N. O. EARNINGS.

Again, Sir, let us consider the increased revenue under the head of Temiskaming & Northern Ontario Railway earnings. Sir, it will be recalled that when the Liberal Government proposed the question of a Government built and Government operated railway, the then Opposition did not receive the suggestion very kindly. Their criticism was very unfriendly, even though they did not oppose outright the building of the road. Members of the then Opposition had much adverse criticism to advance as to the particular location of the road. They argued that it should run down the Ottawa Valley, and conducted a lengthy debate in adverse criticism. Nevertheless the Liberal Government went on with the work. There was no revenue from it in 1904, because the road was in the initial stages of construction.

Last year the earnings were \$550,000. This amount, Sir, is directly due to the constructive work along the line of public ownership set in operation by the old regime. (Applause).

INCREASED RECEIPTS TABULATED.

Now, Sir, let me tabulate and summarize these results. The receipts under the respective heads for 1904 and 1909—in this I am considering the whole twelve months of 1909—are as follows:

	1904.	1909.	Increase.
The Corporation Tax.....	\$420,627 82	\$724,067 65	\$303,439 83
Succession Duties	458,699 60	744,866 25	286,166 65
Brewers and Distillers.....	60,430 91	90,433 77	30,002 86
Mining Licenses and Fees.....	1,597 15	243,920 65	242,323 50
Dominion Subsidy	1,134,660 53	2,128,772 08	814,111 55
T. & N. O. Earnings.....		550,000 00	550,000 00

Total Increase \$2,226,044 39

Since the passing of these Acts the total receipts under three of the above heads—two of which, namely, the tax on brewers and distillers and the Corporation Tax, were absolutely opposed by the Conservatives, and one, the Succession Duties Act, in part opposed, and a qualifying amendment made which would greatly reduce the receipts, are respectively as follows:

Total Receipts from Tax on Brewers and Distillers.....	\$ 740,819 90
Total Receipts under Corporation Tax.....	5,440,636 65
Total Receipts under the Succession Duties Act.....	7,093,488 25

Grand Total under these three heads..... \$13,274,944 80

Sir, I repeat that under the Corporation Tax in 1904 we received but \$420,000 odd, and last year we received \$724,000 odd, an increase of upwards of \$300,000, and of these not one dollar would have come to the Treasury if the Conservatives had had their way. (Applause). This, Sir, is part of the receipts for which the honorable gentlemen now give the present Government credit. (Laughter). Then take the receipts under the head of Succession Duties in the same way. In 1904 the receipts were \$458,000 odd, and last year it went up to \$744,000 odd, an increase of \$286,000. This Act, I repeat, Sir, the Conservatives did not absolutely oppose, but when the Act was being revised they moved an amendment which would have reduced the receipts at least by one-third. Then again, Sir, as to the tax on brewers and distillers, in 1904 the receipts were \$60,000 odd; last year \$90,000 odd, an increase of \$30,000 odd, and this, Sir, was the particular bill to which they took the very exceptional course of moving a six months' hoist, not only once or twice, but on a third and last time they were unsuccessful, the old Government carried the bill, and for the receipts under this head supporters of honorable gentlemen opposite now laud the Government. (Laughter). In the same way the Mining Licenses and Fees increased between 1904 and 1909 upwards of \$240,000 odd. That increase, Sir, is under a law the principle of which is the one that I advocated and the one to which the present Honorable Minister is a convert. (Applause). Again, the Dominion Subsidy has been increased \$814,000 odd, and this, Sir, by a Liberal Government at Ottawa. (Applause). Then again, as to the T. & N. O. earnings, there were no receipts in 1904. Sir, as a result of the earnings of the T. & N. O., the receipts last year were \$550,000, another source of revenue directly to be attributed to the foresight and the confidence as to the future that the Liberals had in our great north country. (Applause). So that, to summarize, while the total increase from 1904 to 1909 from all sources is \$2,600,000, under these few heads that I have given you, and directly attributable to the constructive financing of the old Liberal Government, the increase amounts to \$2,226,044.39. (Applause). The remaining \$300,000 odd I have looked into. I will not trouble the House with the figures. They are scattered over a large number of items. Some increase is derived from license fees and considerable increase under the Companies Act, and otherwise through the Provincial Secretary's Office as a result of the natural development of the Province and the increase of commercial undertakings and enterprise. But, Sir, practically the whole increase in revenue to the present day, from the time the old Government left office, is due to the constructive financing done by the Liberal Government in office, which constructive financing was opposed in part or in whole by honorable gentlemen who now sit serenely upon the Treasury benches and whose supporters benignly and sweetly say, "Behold the increased

revenue that comes to us through the wise and economic management of our great leaders, the present Government." (Laughter). Why, Sir, take the receipts under the Corporation Tax since that Act was put in force, and not one dollar of which would have been received if the voices on the then Conservative benches had prevailed, and these receipts amounted in all to no less than \$5,440,636.65 up to the 31st of last December. (Applause). Exactly the same argument and exactly the same set of facts apply to the total receipts under the Brewer and Distillers' Tax, which up to 31st of December amounted to \$740,819.90; and again, Sir, under the Succession Duties Act, which received qualified opposition from the Conservative Opposition, we have the handsome sum of \$7,093,488.25, or under these three heads alone the magnificent total of \$13,274,944.80. (Applause).

Now, Mr. Speaker, the beauty of that class of legislation is this, it is fair legislation; it is honest taxation; it injures no man; it puts the weighty saddle on the able horse, and these are taxes that are bound to increase with the growth and development of the Province. (Applause). Sir, we of the old Government were in very truth the assessors who made proper, legal assessments under a proper conception of constructive financing, and the present Government are but the mere tax-gatherers—(hear, hear),—who sit at the seat of custom while the monies flow in through channels made and dug by their Liberal predecessors whom they now malign. (Applause). Sir, under all these heads our receipts are bound to grow and increase. No credit is due to the present Government because they are able to give larger grants than the old Government; but no matter what Government was in power last year, all it had to do was simply to allow the finances to flow in through the channels already made. All that the present Government can be given credit for is that as the monies flowed in through those channels, they simply allowed them to flow out in the way of grants to education, agriculture, etc. Their credit is simply negative. It is true they didn't turn off the tap. (Laughter). I repeat the statement already made, that when I look back over a number of years and reflect upon the magnificent measures of constructive financing passed by the old Government, and when I reflect, Sir, that these haven't been enlarged upon, that no constructive financing whatever has been done by the present Government, but that the receipts to-day are due practically entirely to the constructive financing of the old Government, I am not only, Sir, proud that I am a Liberal, but equally proud that I was a member for a short time of that old Government. (Applause).

Now, Sir, let me say, though I have criticized adversely the remarks of honorable gentlemen opposite, remarks that—I may be pardoned if I say that seem absolutely ridiculous in the light of the undoubted facts that I have just pointed out, and though I have said that, there is no doubt in my mind that any fair accountant, any man deserving to be called by the name of accountant, who will take up the Provincial Treasurer's statement, and who will properly separate the current from capital items, both as to receipts and expenditures, will pronounce exactly the same verdict that I have pronounced, namely, that we annually show a substantial deficit—notwithstanding all these facts, Mr. Speaker, the finances of this Province are not, and never were, as one honorable gentleman said in an earlier debate, in a state of chaos. Barring the fact, Sir, that we are greatly depleting one of our main assets, namely, our forest wealth, without taking sufficient steps to replace the same—barring this one fact, the finances of this Province are and ever were in a sound, stable and safe condition. (Applause).

EDUCATION.

Now, Mr. Speaker, let me pass from the question of finances to certain other questions that have been discussed in the course of this debate. The question of education has been dealt with at length by many speakers and has occupied, during a considerable portion of this debate, the consideration of this House, and, Sir, properly so, for it is a very important question. One remark, Sir, dropped by the last speaker on the Conservative side, namely, the honorable member for North Huron, was very suggestive indeed. I recall the statement he makes with reference to his County and his riding, because it is a true indication of what is happening all over the Province of Ontario. He said that this year, for the first time in his County, the Trustees are forced to hire teachers who have no qualifications and who are obliged to receive permits. (Applause). I desire the House carefully to note this statement. The honorable gentleman

was defending the Government under a subject with which he is familiar, and he is forced to admit that the good, old wealthy County of Huron for the first time in its history is without a sufficient supply of qualified teachers. To quote, Sir, his exact words as I took them down, "This is the first year we have had teachers in our County teaching under permits." Sir, the honorable gentleman is a new member in this House. Had he been in this House three years ago he would have heard me sound the note of warning to the present Government, and especially to the present unheeding Minister of Education. Over and over again, Sir, not only three years ago, but two years ago, I pointed out clearly that apart altogether from the question of the wisdom or unwisdom of doing away with the Model Schools, that if they were wiped out by one sweep, as was the intention of the Government, the unavoidable result must be a dearth of teachers. (Applause). I have to thank the honorable member for North Huron, for he understands his subject, because he backed up an argument I advanced three years ago. The honorable gentleman says our teachers are going west. This is true. Sir, honorable gentlemen in this House will remember three years ago when I argued against the abolition of Model Schools, and particularly against the revolution and wiping them out in one sweep, I pointed out that the only schools through which we would get qualified teachers would be the Normal Schools, and that a graduate of any Normal School in this Province might go west and without any further qualification whatever would be allowed to teach in the Western Provinces. I said then emphatically that my then opinion was that at least twenty per cent. of our Normal-trained teachers were then trekking westward. Sir, I repeat that I then predicted what would actually happen, namely, that if the Government persisted in immediately wiping out and abolishing Model Schools inside of four years we would have a dearth of teachers. (Applause). My prediction has come true. Honorable gentlemen will recall the note of warning sounded over and over again. Nay, Sir, we pointed out the reasons. The result was obvious; but, Sir, with a determination of purpose that was remarkable, the Government lent us a deaf ear. They wouldn't listen to us; they wouldn't be persuaded, and we have the deplorable result that to-day one-tenth of the schools in the Province of Ontario are in the hands of incompetent and unqualified teachers. I make this statement, Sir, and I desire it to be quoted through the length and the breadth of the Province. I have no returns of the exact number of schools without qualified teachers, but the information I get is, Sir, that as a result of the immediate change, against which we strongly protested, and as a result of the revolution that has been worked—because if the Government had desired to do away with the Model Schools, or to make a transition from the double system of Model and Normal Schools to that of Normal Schools alone it need not have been done like the breaking off of a pipe-stem, it might have been done gradually—I believe that ten per cent. to-day of the Public Schools of Ontario in the rural districts are in the hands of teachers who have no sufficient qualifications. (Applause). Now, Mr. Speaker, that is an unfortunate condition, an unfortunate state of affairs. It is most unfortunate that any Government would deliberately and stubbornly bring about the condition that we find our Public Schools in to-day. We make no argument, Sir, against the teachers of the Province of Ontario, as the honorable member would seem to indicate. We join hands with him in his plea on behalf of fair treatment for the teachers of our land. That is a natural plea, Sir, to come either from himself or from me, both having been engaged in educational work. But, Sir, after the Government had been warned, after the possibilities had been pointed out, they are to be condemned for adopting and deliberately taking the course they did. They, Sir, deliberately sinned against the light, if it is possible at all to get light in on them. (Applause). Take my own riding as an illustration. When the first of January last came there were either thirteen or seventeen schools vacant. The Trustees looked for teachers, and were glad to take anybody to open the schools, drawing, Sir, from students of our Collegiate Institute without any professional training whatever, and glad to get them if they would go out and take charge of these schools. In many portions of the Province there are many schools the doors of which are closed because of the impossibility to secure qualified teachers. It is a state of affairs that this Government and the hon. member have brought about after they were fairly warned time and again across the floor of this House in ample time to have avoided the mistake. I here, Sir, challenge them to deny that, three sessions ago, and two sessions ago, I distinctly pointed out the unfortunate state of affairs that must necessarily be the result of their senseless procedure. So much, Sir, for the scarcity of teachers.

THE MODEL SCHOOLS.

But, Sir, on the main merits of the question I do not agree with the honorable member for North Huron; I do not agree with the honorable gentlemen who say it was an advisable thing or a wise thing to do away with our Model Schools. I never thought it was and I am not convinced still that it was a wise move. I am absolutely convinced, Sir, that in the legislation that this Government has passed in its various departments, a great weakness is the centralization of power. (Applause). I care not what Department you go into, the dominant note seems to be one-man power and a tendency to centralization all along the line. (Applause). Take, Sir, the question of "approved" or "non-approved" schools. The Inspector steps into one of our continuation classes or into one of our High Schools or Collegiate Institutes, and, perchance, Sir, if his liver is not in good order, after a few hours' examination of that school he dubs that school "non-approved," with what result, Sir? That any candidate from that school going up for examination must pass an examination in a number of subjects that he would not be required to pass in if the school had been marked "approved." Nay, Sir, carry that a trifle further, in one of our Collegiate Institutes where there are probably ten or fifteen teachers he may find something wrong in one form, and his liver in that half hour is in a bad state, he dubs the whole school "non-approved." I sound the note of warning, Sir, with all the vim that I am susceptible of against any such one-man power, and against any such centralization of power. (Applause).

TEXT BOOKS.

Now, Sir, a word or two as to the question of text books. I purpose to deal with the question briefly, as I fear I am occupying the time of the House to too great length. (Cries of "Go on.") The honorable member for North Huron gave us the history of the three sets of readers and the difficulties that naturally flowed from them, and the fact that one set had to be adopted. That is pretty ancient history. Let us get down to present day history, and to what has been done with reference to our present readers. Every speaker for the Opposition, barring the honorable member for North Huron, who has spoken during this debate, has told us in one form of words or another, and the public has been told through the press, that the price of the new readers is but 49c. That is the story, Sir, that is being sent all over this land. They do not mention, Sir, the amount that the Province has paid out of the people's money; they do not tell this House that the Province furnished the material; they do not tell us that there was a Commission appointed about two years ago, and they were paid by this Province for the work of preparing the manuscript and making selections for these readers. They were paid in 1908 alone \$11,000. The public accounts show this. What they were paid, all told, I have not the exact figures, but I have moved for a return and we will know the facts. Then, Sir, in addition to this the Government purchased and furnished the plates for the printer; this Province furnished all the illustrations; all electroplating. Nay, Sir, this Province actually paid for the setting up of the type for these readers. (Applause). Then what? Then, Sir, it is simply handed over to be printed. I want to say this, Sir, and I want to say it emphatically, that the Government, having paid the whole cost of making the selections of the readers, having furnished all the illustrations, having furnished all necessary electroplating and electrotyping, and having actually set up the type for running them off, I would not have objected if the Government had gone the limit and had actually printed the readers and had sent them forth to the public at cost price. (Applause). I am not sure, Sir, had they done this but that their position would have been unsalable; but, Sir, having paid a great portion of the cost, having prepared the work and paid for it and put everything in shape for merely running them off by the printer, I cannot congratulate this Government for doing what the Manitoba Government absolutely refused to do, and that is, turning over the printing to a huge departmental store in this city. (Applause). I want it distinctly understood, and I want to state my position unmistakably and emphatically. I don't care whether this huge departmental store was the lowest tenderer or not, the contract for printing the readers should not have been made by this Province or any other Province a special medium of advertising for any departmental store at the expense of the whole retail trade of the Province. (Applause). Sir, I have not one word against Mr. John Eaton. He is a keen, shrewd, business man, but, Sir, one swallow does not make a spring, one city does not make a Province, and one departmental store does not even make the great City of Toronto. (Ap-

plause). When, Sir, I take up this printing contract—and I have it now in my hands—and I find how the contract was drawn, I think I see that shrewd business man, Mr. John Eaton, seeing the Government coming and willing to run out and fall upon their backs and to congratulate himself and his large business enterprise that he received the contract at any price. (Applause). I find, Sir, in this contract that the printers—that is, Timothy Eaton & Co.—are to sell the books at the place of publication at 20 per cent. off the prescribed retail price. What does this mean? I go up, for example, with the honor member for South Wellington, and I find a retail book-store; I go out ten miles into the Township, and I find a farmer who desires to purchase some of these readers. Under this contract the farmer can order them and get them for exactly the same price as the bookseller gets them. What does this mean, Sir? It means naturally that in the working out of this agreement the bookseller, in so far as the Readers are concerned, has to go out of business. But it means a great deal more than this. It means that you have placed in the hands of one huge departmental store an order list that includes every citizen of this Province and that reaches every hearth-stone in the land. Why, Sir, John Smith, living in one of the townships, wants one of these 4-cent primers, and he writes down to the Timothy Eaton Company for it, and the Timothy Eaton Company wrap it up and wrap around it one of their bargain-day sale advertisements, and this goes up to John Smith. (Applause).

Now, Sir, let me state my position clearly. I want it distinctly and emphatically understood that in my opinion the Province of Ontario has no right to spend the people's money in paying a great deal of the cost of those books and then turn them over to a departmental store and practically advertise to the public that the whole cost is but 49c, when in truth and in fact these Readers cost the Province a great deal more. (Applause). In addition to giving this departmental store the advantage of this false statement as to the cost of the Readers, the Province booms the whole trade of the departmental store at the expense of the retail trade of the whole Province. (Applause). Sir, you cannot build up this or any other Province by building up one particular class at the expense of another. I believe in the principle of "Live and let live." We want, Sir, progressive farmers; we want progressive merchants; we want progressive retail dealers, and we want fair play to the Province of Ontario outside of the City of Toronto. (Applause).

Now, Sir, it has been pointed out over and over again, as an answer to the fact that the Timothy Eaton & Company's firm name is placed across the cover of these Readers, that the same is true of the Gage and Morang series. Honorable gentlemen know that the cases are not parallel at all. It was but fair for the Morangs, being printers by trade, and printers only, to be allowed to stamp their name on the cover; but, Sir, it is an absolutely different thing, it is an entirely different thing, when you consider the case of that huge departmental store running opposition to retail merchants of 200 or 300 different varieties—in opposition, I say, to scores of retail merchants in Coderich, Lindsay, Peterborough, Owen Sound, and all the other towns and cities in the Province. Sir, I say it is an entirely different thing when a contract is made that places every man in the Province of Ontario on their mailing list, and makes every hearth-stone tributary to one departmental store in the City of Toronto. (Applause). I make the statement deliberately, and I make it advisedly, that it would probably pay Timothy Eaton & Co. to lose \$20,000 or \$30,000 a year for the cheap advertising they get in sending out these Readers under the peculiar way this contract with the Government has been drawn up. I am in the judgment of the business men of the Province when I say that the departmental store could not get up any catalogue under the sun that would have laid the whole Province of Ontario as tributary to them and that would have placed every house on their order list as effectively as the present contract has done. (Applause). Why, Sir, that beautiful mail order list, that already is working overtime, will now become doubly, nay trebly, busy. (Applause). Well, Sir, may the shrewd and clever John Eaton, who is now at the head of the concern, sit back and say: "This to me is a magnificent advertising scheme, and if any objection comes to it I will have every Conservative in the Province defending it, because they will stay by the Government, and thus I will have one-half of the whole Province of Ontario shouting for Eaton & Company's cheap readers and advertising our business all over the Province." (Applause). And, Sir, have we not during this debate had the first installment of such defence of such advertising? (Applause). Now, Mr. Speaker, my own opinion is that the Manitoba Government were well advised in not giving a similar contract to a similar house under somewhat similar conditions. I refuse

to believe, Sir, that honorable gentlemen opposite who have spoken in support of this unusual method of printing Public School Readers, at all fairly represent the fair sentiment and the fair view of their respective ridings. Not only, Sir, the view of the retail traders of all classes in the towns and villages, but I say, Sir, the view of the fair farmers in the vicinity of those towns and villages—and the farmers are not a race of paupers in this Province, but, Sir, they take pride not only in the progress of the rural district, but they also, Sir, take an equal pride in the progress of their villages and towns, knowing, Sir, that the progress of one means the progress of the other, and it is an advantage to them to have the successful retail dealer in their town. (Applause). They are, Sir, willing to live and let live, and I refuse, Sir, to believe that the farmers of the Province of Ontario will approve of this boosting of the Toronto departmental store at the expense of the whole retail trade of the Province of Ontario. (Applause).

Next, Mr. Speaker, as to the quality of the books. Educationists may differ, and mechanical men may differ, but my own opinion is that a comparison of the old readers with what I may call the Eaton series of readers, leads to the result that the old readers were quite superior both as to contents and make up, and especially as to binding. As to the primer, I was glad to note that the honorable member for North Huron was pretty careful in his remarks. It seems to be the almost unanimous opinion of our most experienced teachers in primary classes that this book is absolutely unsuited for the work, and that it must be withdrawn. I venture to predict, Sir, that this primer must of necessity be withdrawn as being absolutely unsuited for the work whereunto it was sent. I have not yet met an experienced teacher in my riding—and particularly in Owen Sound our best and most experienced teachers are those that have charge of the primary classes—I have not met one of them yet that can do anything with that book, and I think teachers generally are of the opinion that evidently the honorable member for North Huron is if he would speak out, and that is, that this primer should be withdrawn. If it should, why should not this Government say so at once? I desire to be fair, Sir. I suppose the Government issued its instructions to a Commission that they thought were reasonably competent. If these men have made a mistake and have turned out a primer that is entirely unsuited for early primary training, I should say, Sir, that it would be much more to the credit of the Government if they would immediately withdraw it than they and their followers would stand up here to defend it and thus continue its use although scores and scores of teachers have absolutely discarded it and say they can do nothing with it. (Applause).

TECHNICAL EDUCATION.

Something has been said by the honorable member for North Huron as to the amount spent in different stages of educational work. Now, Sir, I presume that the figures named by the honorable member for West Wellington (Mr. McEwing) are substantially correct. It is very difficult indeed to be absolutely certain and accurate in making any calculation from our public accounts, because there are so many sub-headings and the sub-divisions of the educational work are very varied, but, Sir, I have no doubt whatever that the figures quoted by the honorable gentleman mentioned are substantially correct. According to them the Government grant last year to Public and Separate Schools averaged \$1.38 per pupil; the grant to High Schools and Collegiate Institutes averaged \$4.66 per pupil; the grant to Normal and Model Schools averaged \$112.43 per pupil, and that to Toronto University, \$126.36 per pupil. It is difficult to figure exactly what the average would be to agricultural students, although substantial sums are given. But, Sir, I come now to a very important point. No member of this House is advancing honest criticism, either for or against the Government, who is passing over facts and does not point them out. (Applause). I raise the question, Sir, that I have often raised in this House, a question that I have often pressed upon the Government, and that is, while we are doing very fairly by way of assisting the pupils who attend our Public and Separate Schools, our High Schools and Collegiate Institutes, and our Universities, what are we doing for the lad who is forced to leave school between the ages of 12 and 18 years and probably enter the workshop? (Applause). Sir, last year we assisted 450,000 odd Public and Separate School pupils at the rate of \$1.38 per head; we assisted 31,000 odd High School and Collegiate Institute pupils at the rate of \$4.66 per capita; we assisted 438 Normal and Model pupils at the rate of \$112 per capita; and we assisted 3,950 University students at the rate of \$126.36 per capita—and, Sir, we are proud of these educational institutions. We are particularly proud of

our Provincial University, the largest University to-day in the British Empire. There are possibly one or two examining bodies called Universities, such as London and Calcutta, that may be larger, but there is no federation of Colleges to-day in the British Empire with practical teaching faculties that has the attendance that Toronto University has. (Applause). In the whole British Empire we lead the way to-day, and I am sure Ontario is proud of it. So, Sir, it must clearly be understood that I am not objecting to any of the grants referred to, but I desire clearly to point out that out of the 450,000 odd pupils who attend our Public and Separate Schools, a large number are forced to leave school without ever even entering a High School, and to earn their bread by the sweat of their brow in factories, workshops and such like places. They leave, Sir, at ages varying from possibly 13 to 17. The growing and important question I raise, Sir, is with all our boasted education, what are we doing for those lads who need our assistance most? (Applause). We must face this problem fairly. This is a serious question. We follow the lad through the High School, through the Collegiate Institute, through Toronto University, and we assist him in every case. We follow the young man to the Agricultural College and we make grants to assist in his education. We follow our intending teachers, and very properly so, through the Model and Normal Schools, and we make grants and assist in their education. But, Sir, do we follow the lads in the workshop of 13 and 14 and 15 years of age—poor chaps, the sons of poor parents—do we follow them, I repeat? The answer is a tremendous negative. We do not—and it is a crying shame and a disgrace to this Province—we do not follow these lads with an evening class school, as we well might in this Province. It is true that the present Government are doing a little and the old Government did something along the lines of technical education. I think, Sir, I am within the mark when I say that 50 per cent. of the lads who enter the workshop, enter it between the ages of 14 and 16 years. The moment they leave our schools the State drops its leading strings and pays no attention to them whatever. I say, Sir, that from a financial, from an industrial; nay, Sir, but from a far higher standpoint, from an ethical standpoint, it is absolutely and entirely wrong. (Applause). We ought to have, Sir, and we could have without any great Provincial expenditure, an evening technical training school, supplementing the work of the day in the workshop in every leading centre in the Province of Ontario. (Applause). Sir, when one takes up the reports of what is being done in other lands, when one notices what that great nation to the south of us is doing, when we find the three classes of schools they have there, namely, the Trade Schools, the Technical Schools, and the Schools of Industrial Drawing and Design, we are forced to confess that our present educational system is not as well balanced as it should be. Trade Schools, of course, Mr. Speaker, are intended to teach and furnish a particular trade, and to turn the boy out a finished mechanic. I do not advocate such a school. The establishment of Technical Schools such as we have on the other side, and such as we have in England, is the class of school we ought to have here. It is not a little technical training in our High School and our Collegiate Institutes that will reach the great mass of lads that ought to be reached. The lad that needs to be reached, and to whom the State is morally under an obligation, is the lad who has left the school forever and has gone into the workshop to earn his living. (Applause). The Technical School we ought to have in this Province, that we should establish immediately, and that we could easily establish if we enlisted the aid of the manufacturers and the employers of labor and the business men of our towns and cities, is the evening school accessible to all. The manufacturers realize how imperfect is the skill of the workmen to-day as compared with the old days of apprenticeship. It is with them not the desirability of the Technical Schools, but the best method of training the lads to be good and proficient workmen. What we require, Sir, is an evening Technical School that will supplement the day's work and that will explain and give to the lad of the workshop the general principles that underlie his work in the workshop and that will make him a scientific and thinking workman, rather than a human machine in that shop. (Applause). But, Sir, although the old Government did something and the present Government is doing something, we are not working along the right lines. What we need is a system of Technical or Night Schools that will cover the whole Province of Ontario, or at all events we should have one established in all industrial centres. (Applause).

THE HYDRO-ELECTRIC PROBLEM.

Now, Mr. Speaker, passing on from the question of education, let me deal briefly with one or two other questions that have been referred to during this

discussion. A question of very considerable moment, and one that has occupied the attention of the House, is the Hydro-Electric question. This is a question concerning which the Government appears to be a trifle sensitive, judging from the debate so far as it has progressed. Let me see exactly, Sir, where both parties stand on this question. One would understand—an unwary or an ill-advised listener would gather—from the honorable member for London, the Minister of Power, that he and his colleagues were the sole and only people who desired to propagate the scheme of giving cheap power, and that they started or discovered the microbe, and that nothing was done prior to their time. Sir, I would like to refer the honorable gentleman to the Statute of 1903, upon which Statute the one under which he now operates is largely based. Sir, the statute of 1903 passed by the old Government provides for a union of municipalities. It also provides for the appointment of a Commission for the working out of the power scheme. The weakness, Sir, of the municipal power scheme under the Act of 1903 was that municipalities might unite in different groups and might appoint different Boards. The first section of the Statute of 1903 reads as follows:—

(1) It shall be lawful for any municipal corporation, or for any two or more municipal corporations jointly, on such terms and conditions as may be mutually agreed upon between them, and under and subject to the terms and conditions hereinafter set forth, by and through the agency of Commissioners and their successors to be appointed as hereinafter also provided, to secure the acquisition, construction, maintenance and operation of all necessary works, plant, machinery and appliances for the development, generation, transmission, transformation, distribution and supply of electrical and other power and energy, including heat and light, for their own corporate use as well as for general public uses and purposes, and for the use of such persons, firms and corporations as may desire the same.

Now, Sir, that statute is the basis and foundation of the present Hydro-Electric scheme. The present Hydro-Electric law is based not only as to its conception, but as to its machinery, largely upon that statute. True it is that in the natural evolution of the scheme there has been an advance made, and I admit, Sir, and state freely, that the advance is an improvement, namely, that one Commission should act for the various groups of municipalities that gather together in the different parts of the Province, instead of having each group appoint a different Commission. That, Sir, is a decided advance and in addition to that, the fact that the Government appoints the Commission in a certain sense places the strong right arm of the Provincial Government behind the Commission. This gives the whole scheme greater strength and more force than it would have under the old Act. But, Sir, the scheme is largely the same in its working out. So that, Sir, I was surprised, and anyone who reads the statute of 1903 will be decidedly surprised at the Honorable Minister of Power's boastful statement as to the discovery of the scheme. I am often surprised at his statements, as he is decidedly reckless in his utterances. He stated boldly the other day across the floor of this House that the present Hydro-Electric Commission had not changed their plan.

CHANGE OF PLAN.

How, Sir, any sane man can expect this House to believe a statement of that kind, in view of the legislation that from year to year has been passed, passes my comprehension. He knows, Sir, and if he doesn't know, he is the only man in the Province of Ontario that doesn't know, that under the statute of 6 Edward VII. votes were taken in fourteen or fifteen municipalities in the Province of Ontario. He knows very well, and if he doesn't know, he is the only man in the Province that doesn't know, the scheme then was that power should be delivered to the respective municipalities at the city or town gates ready for distribution at a certain sum, and the limit of that sum was fixed in the by-law. (Applause). Let there be no misunderstanding on this point, because it is the great point where the parties in this Province differ. I have several of the by-laws here. Take the by-law of the City of Toronto. The first enacting clause is that, "It shall be lawful for the said municipal corporation to enter into a contract with the Hydro-Electric Commission of the Province of Ontario for the supplying to the said corporation for thirty years 15,000 horsepower for the use of the municipal corporation, for light, heat and power purposes, for the sum of from \$14 to \$18.10 per annum, for continuous power to be delivered to the said municipal corporation." That was the scheme that the ratepayer was asked to vote upon. Power was to be delivered ready for distribution at the city gates,

and on this basis the vote of the ratepayers was taken. Nay, Sir, the actual cost was fixed in Toronto from \$14 to \$18.10 per horsepower; in other municipalities a different specific figure. That, Sir, was the first scheme, and yet the Honorable Minister has the remarkable audacity to tell this House that that scheme was not changed. He knows perfectly well that the scheme he is operating under now does not sell power at a fixed price at the city gates, but that they sell power at a fixed price at Niagara Falls, the point of development, and that the whole risk and the cost of transmission, whatever it may be, is put upon the municipality. (Applause). I now here challenge the Honorable Minister to deny my statement. (Applause). Yet, Sir, he had the temerity the day before yesterday to stand up as a Minister of the Crown and publicly state to this House, and through the press to the people of the Province, that there has been no change in the plan. (Applause). Why, Sir, the ratepayer in any of our towns voting on the first scheme, living, say, in Galt, would say, "The Government is bound to bring power to Galt for from, say, \$17.37 to \$22. I am not obliged to enquire how they will do this. They promised to do it. This is cheap power. I will make no further enquiry and I will vote Yea to the by-law." But, Sir, if the plan as changed had been submitted to that ratepayer and if he had been told that the Commission would sell power at a fixed price at Niagara Falls, and that Galt must assume its fair share of the cost of building and maintaining a transmission line, then that ratepayer would have been called upon to enquire into the whole scheme and might have voted Yea or Nay according to the conclusion he arrived at. (Applause). Now, Sir, I say unhesitatingly that our advice was all right on the floor of this House, and that is, that when the scheme was changed, when the plan was so entirely changed, that the vote of the ratepayers already taken meant nothing, we strongly urged that the vote be re-taken and that the ratepayers of the several municipalities should be consulted with reference to the new scheme and should have the opportunity of saying whether they would take the risk or not. (Applause). We believed then, and we believe now, that the Province in this way would have kept itself right and that as between the Province and the municipality there should not be any room for finding fault afterwards. (Applause). The ratepayers of any particular town have the right to say whether they want any particular scheme or not. Under our municipal law, Sir, no Council can bind the ratepayers on money matters, other than current, without consulting the ratepayers, but here, Sir, is legislation binding the ratepayers of these fourteen municipalities, and the ratepayers to this day have never voted upon the particular scheme that binds them, but it has been made binding upon them without their consent by the arbitrary action of this Government. (Applause). This, Sir, is another excellent illustration of the arbitrary centralization of power that I do not approve of. I repeat, Sir, that instead of passing amending Acts year after year, binding the municipalities, it would have been far better if our suggestion had been adopted and that the ratepayers of the municipalities had been allowed to vote upon the question and the scheme as it now stands. Now, Sir, that is the general situation. On this particular question let there be no misunderstanding. I have always stated, many a time upon the public platform, with reference to this Hydro-Electric question, and I think in so stating that I speak the voice of the Liberal party, namely, that the Government, or rather the Commission in this scheme, are only acting as the advance agents for the municipalities; that the Commission has a right to so act; that the Government has a right to lend to the municipalities the strength of the strong Provincial arm, in obtaining cheap power for the municipalities for which cheap power can be obtained, and charging up to the municipalities interested the whole cost. That, Sir, has been our position and that is our position still in so far as the general scheme of so assisting the municipalities to obtain cheap power is concerned, we are in accord with the movement; but, Sir, we are not in accord with many of the methods used by this Government and with much of its legislation. (Applause).

THOSE EASEMENTS.

Another question of procedure has been much discussed during this debate. It is rather a subsidiary question; it is, Sir, nevertheless an important one, and not by any means a small one. I refer to the manner of the obtaining of the easements by the Commission from the farmers. The Honorable Minister of Power may belittle it and say that only a few farmers are dissatisfied. He may tell us, as he has told us, that in dealing with two or three thousand farmers he has only had difficulty with a very few. I desire to state emphatically, and I have no hesitation in making the statement, that so far as I can judge from

the affidavits, and so far as I can judge from the information I have had—and I purpose to give some of this information to the House and to correct the Honorable Minister of Power for mis-statements—I say, and say emphatically, that the farmers along the transmission line have not been dealt with fairly or honorably; nay, Sir, not even decently. (Applause). There is no reason under the sun why the Honorable the Minister of Power or the Commission should not have sent out one or two or three competent men who would be able to value those easements according to the width and frontage of the farm and the number of towers to be erected, the number of trees to be cut, the hedges spoiled, etc., and taking all the circumstances into consideration, these competent men should not pursue a system of dickering and brow-beating by offering \$200 and ending up by giving \$1,200 or \$1,500. Sir, I say that competent men should have gone on to these farms, gone over the ground, estimated very closely what the easements were worth, and then told the owner of the farm where they intended to run the line and the particular nature of the easement they required, and to have stated frankly and to have allowed him a fair and adequate allowance for that easement, and that if he was not satisfied with what they allowed in a dignified and fair way, to simply tell him there must be arbitration and let the matter proceed to arbitration, and let there be no dickering and brow-beating and bulldozing. (Applause). The Commission acting for the Province, nominally representing the Province, ought to have acted in a way worthy of the Province. It is really the Province of Ontario that is acting—it does not matter whether they are agents or not—it is the Province of Ontario that is acting just the same, and it ought to act in a manly, straightforward, equitable way worthy of the Province, and should not have pursued the brow-beating system that has been pursued. (Applause).

Now, Sir, let us consider what they have done. The Honorable Minister of Power read us out seven names and said that there were seven arbitrations, and I am bound to say, Sir, that if you took his statement just as he gave it, and if his statement on the floor of this House was what actually happened, we would not have much cause of complaint. But, Sir, what he says and what actually happened are absolutely and entirely different things. (Applause). Take the case of Wesley Smith, which he refers to. The Honorable the Minister of Power tells us that there was an arbitration with reference to his easement; that he wanted \$1,200 and the Commission offered him \$600, and as a result of the arbitration he got \$520. Now, Sir, I stand here and say that the Minister of Power's statement is not in accordance with the facts. There is a good deal in his statement entirely left out and there is part of his statement that is absolutely untrue. (Applause). Wesley Smith lives on Lot 12, Concession 2, Township of Glanford, in the County of Wentworth, and he is prepared to substantiate what I say. He was first offered \$25 for each tower, \$66 for the trees cut down, and \$114 for the right of passing to and fro across his lands, in all but \$355. One would gather, Sir, from the Honorable Minister's statement that he was first offered \$600. This is not true. The first offer was but \$355. Now, Sir, take this method of dickering in connection with my criticism, and I am willing to be judged by this House. My proposition is, Sir, that a competent man ought to be able to go along that line and tell within \$100, or \$200 at the most, what would be fair and right—they ought at the very outset to have offered the farmer what was fair and right. I repeat, Sir, my former argument; the Province of Ontario is only the agent after all, and, acting as agent for the municipalities, it ought not to be unjust to any farmer for the benefit of any town or city in the Province of Ontario. Neither, Sir, should the valuers go beyond a fair value, because they are only acting as Trustees between the farmers and the city or town municipalities interested in this scheme. They ought, at the very outset, to offer the farmer what is fair and right. Take, Sir, this particular case that the Honorable Minister quoted, of Wesley Smith; let us follow it up. First of all, I repeat they offer him \$355. Later on, when the parties are about to sign a submission to arbitration—which submission was signed on the 17th August, 1909—and just before they signed it they raised their offer to \$600. (Applause). Still, Sir, Mr. Smith declined to accept it and the arbitration proceeds. The Honorable the Minister of Power says the arbitrators allowed him only \$520, and I tell the Honorable the Minister of Power now and here across the floor of this House that his statement is absolutely incorrect. (Applause). I have the authority of Mr. Gage, the Warden of the County of Wentworth, the sole arbitrator, and who says the award was not \$520, but \$850. (Applause). I take this very case, Sir, which he gives and which he attempted to make much of, and which shows the Honorable the Minister of Power in a light which is anything but

enviable. It also illustrates the peculiar method the valuers pursue; they start in at \$355 and dicker and dicker along and then go to arbitration and the farmer gets \$850. But, Sir, when the Commission found that the award was \$850, they asked the arbitrator for the reasons of his award, and they make out of those reasons an excuse for not paying him as the arbitrator intended that he should be paid, and as all others have been paid, \$850 in cash, but they want to spread the payments over thirty years. (Applause). And this, Sir, is one of the cases the Honorable Minister boasts about. Why, Sir, the case is not settled yet. Wesley Smith is a man, he is a Britisher, he wants to be treated fairly, and when the award was made he wanted his money, as hosts of others have received theirs, but he was refused and he stood between the Commission and the work, and the result is that to-day only two towers have been erected and the rest are lying on the ground. (Applause). I say, Sir, such treatment of any old-time resident of the Province of Ontario is entirely beneath the dignity of this Province. (Applause). But, Sir, there are cases that are a great deal worse than this.

Let me take another case—and that a case that the Honorable Minister mentioned—that of W. A. Lovitt. Mr. Lovitt is the owner of Lots Nos. 51, 52, 53 and 54, Concession 4, Township of Lancaster, Wentworth County. Now, what did they offer him first? They went to him, Mr. Speaker, and offered him only \$20 for each tower and \$100 for the right of easement. There are nine towers. This means that they offered him all told for the right of placing nine towers and for the right of going to and fro along the line, \$280 in all. Now, Sir, the first offer was for \$280. Mr. Lovitt declined that and then they came up a little higher. This is a fact, Mr. Speaker; I am giving the name, the number of the lots, and all details. These men live there. They are respectable farmers, and I take the full responsibility of saying that the information they give me is correct. The Government supporters may sneer or laugh as they choose, but I repeat the statement, Sir, that the manner in which these farmers have been dealt with is not only unfair, but entirely beneath the dignity of this Province. (Applause). I say, Sir, it is not decent for the Government to treat the farmers of this Province as these men were treated. I repeat, Sir, the first offer to Mr. Lovitt was \$280, then later on they offered him \$400. Note what happens next. They begin to talk arbitration, and he talks arbitration, and says he is satisfied to proceed to arbitration, and then they come up from \$400 to \$1,250. (Applause). He still says no, that he will not accept, and the arbitration goes on and he gets between \$1,500 and \$1,600. In short, these Government brow-beaters and bulldozers start in attempting to purchase his right at \$280, when the proper and fair amount as decided by arbitration exceeds \$1,500. (Applause). Now, Sir, let me put this question, If the Commission and this Government say that the Province of Ontario sent out men who are doing the square and decent thing, why, Sir, when they went to this man's farm, did they not offer him something near the proper valuation, and not a pecunious sum of \$280. (Applause). A competent tribunal found that he was entitled to nearly \$1,600. I say, Sir, it is a disgrace to the Province of Ontario to allow any set of men to proceed as these valuers have done. (Applause).

Let me take another illustration; I can give you cases such as that of James Doherty; I can give you the names of the men who are willing to come forward and substantiate my statements. James Doherty is the owner of Lot 120, Thorold Township. He is a substantial farmer, as are all the others I refer to. First of all, a Government agent by the name of McCormack went to him. McCormack was followed by another agent named Stewart; he was followed by still another agent named Geo. Ellis, and so on. Instead of one agent going to this farmer and making a fair valuation of the easement and offering him a decent and fair figure for that easement, the Hydro-Electric sends one, two, three and then a fourth agent to try to browbeat and bulldoze him and see if they cannot get his easement at a comparatively narrow figure. Again I say, Sir, such conduct is unworthy of the great Province of Ontario.

MR. McGARRY (South Renfrew)—Better than what the Liberal Government did in Halifax.

HON. MR. MACKAY—I have always thought we would be acting with more propriety if we attended to our own duties in this House, and took care that the same are properly performed. (Applause). I am not familiar with the details of that to which the honorable member refers, but I take it, Sir, that the Liberals at Ottawa are quite competent to take care of themselves. I want to say, Mr. Speaker, that I think it will be propriety on our part and will undoubtedly lead to better relations between the Provincial House and the Dominion House, if we allow the Dominion representatives at Ottawa to debate and conduct their own

affairs and carry out their own discussions in their House, and we attend to our own business here. (Applause).

To return, Sir, to the Doherty easement, beginning, Sir, with an offer of \$275, step by step the agents advanced their offers until the figure of \$1,200 was reached, and the claim is not yet adjusted.

Now, Mr. Speaker, I do not wish to take up more time with this question. I have many sworn declarations along the same line, and they are all much to the same effect. I have shown, Sir, the system that was followed and I am almost disposed to say this, notwithstanding the fact that the Premier seems to treat this matter lightly, that I can scarcely believe that the Premier or the Attorney-General, or the Provincial Treasurer, if any of them were on the ground, would have allowed such conduct by the agents of the Province of Ontario. I am willing to be generous enough to say that, because I don't think any man competent to represent the Province of Ontario in any position whatever would want any citizen to be dealt with as the farmers along the line have been dealt with (Applause).

Now, Sir, let us consider this question from an even wider point of view. THE PREMIER—Hear, hear.

HON. MR. MACKAY—The honorable gentleman says hear, hear. I desire to ask the question seriously whether we have been dealing with the question of remuneration to those farmers as we ought to have done. Perhaps, Sir, the difficulty and exasperation and irritation created and the contemptible treatment some of them received, rather resulted from wrong legislation and the wrong way the Government took in working this question out. Take the farmers along the transmission line, Sir, and what position are they in to-day? There is no provision in the statute that allows them any damages for any injury that may be done when the transmission line comes into operation. Not only that, Mr. Speaker, but they cannot bring an action of any kind against this Commission or against the Government or against anybody for any injury that may be done them in connection with the construction of the work or in any other way, except they first receive a fiat from the Attorney-General. It has been pointed out during this debate that similar provisions are in other Acts. I say, Sir, the cases are not analogous. Let us compare this legislation with the Dominion Railway Act or the Ontario Railway Act. Compare this legislation with the provisions of the Dominion Railway Act—and mark you, Mr. Speaker, the railway is of just as much benefit to the farmer as it is to a man in a town or city. I question, however, whether the Hydro-Electric line can be of benefit to any farmer. Its primary object is to give cheap power to towns and cities. But a railway passing through a farm is of just as much benefit to him as to a man in a town or a city. What do you find, then, in the Railway Act? We find Dominion legislation—and I think our legislation ought to be similar here—we find a section in the Dominion Act that says that whenever damage is caused to crops, land, plantation or buildings and their contents destroyed by a fire started by a railway locomotive, the Railway Company making use of such locomotive, whether guilty of negligence or not, shall be liable for such damage in any court of competent jurisdiction. (Applause). In other words, the Railway Company is made insurers of the property along the railway, up to at least the extent of \$5,000. My view is, Sir, that this is fair legislation, and the spirit of this legislation ought to have been adopted in respect to the Hydro-Electric legislation, and the farmers along the line, instead of being prevented from suing, should be able to hold the Commission liable for any damage that might be done their property. (Applause). Suppose your transmission line is working—and I don't care what mechanical appliances you have to guard against accidents, there is always a possibility of accident—if the wire breaks and burns a man's buildings down, he has no rights whatever? Suppose he comes to the Attorney-General and gets a fiat, how is he to prove the negligence—particularly so if the wire breaks during a storm? He might spend the worth of his whole farm in endeavoring to prove negligence by means of electrical expert witnesses. Sir, I believe the Dominion law is right, and that *prima facie* all such public utilities, whether they be railways or transmission lines, ought to be liable to pay for the damage they do to the occupants of the land. That, Sir, is but placing in the statute an old common law principle to the effect that the man who brings a dangerous contrivance of any kind on to your place must be held liable for the damage caused by such dangerous contrivance. (Applause). That, Sir, is the common law of the land, and yet, Sir, the Hydro-Electric Commission are so hedged in by the legislation of this Province that neither common law nor statute law is of any avail. It ought not to

be forgotten, Sir, that the Government, or rather the Hydro-Electric Commission, are only agents in this matter; they are simply advance agents acting for the municipalities. Are we then, Sir, going to protect the cities and towns to the extent that they will not be liable for the damage done to the farmers, although they bring the dangerous element on to his premises—not for his benefit, but for their benefit alone? Under these circumstances, Sir, I say emphatically, unequivocally and unambiguously, that they ought to pay for the damage they cause the farmer. (Applause). I press the point, Sir, that the Hydro-Electric Commission only acts as agent for the municipalities, and it just becomes a question if the farmer suffers a loss of \$1,000 or \$2,000 by the burning of his building or the killing of his cattle, why should not the municipalities interested in the power scheme be held liable, as they certainly would be liable under the old common law and but for our iniquitous statute. (Applause).

CLAIMS NOT SETTLED YET.

Now, Mr. Speaker, the Honorable Minister of Power says that all of these cases have been settled. I say, Sir, that a very, very large number along this line are not settled yet, and I can't help thinking that the proper thing to do is to send a competent man along, and I think the farmers ought to be paid a pretty liberal payment for the easements they grant.

HON. MR. BECK—I would like to ask the honorable gentleman a question. He has referred to the incompetency of the men who have valued these lands. I may say that Mr. Farley, residing in Belleville, and who purchased thirty-five miles of right of way, is the final valuator of the properties that are in dispute. He is a Liberal in politics, and a man who stands high in the railway world as a competent and valuable man to value such lands.

HON. MR. MACKAY—I am glad the honorable gentleman has spoken. Truth crushed to earth shall ever rise again. If Mr. Farley is a competent man, why should he be brought in, as the honorable gentleman says, as the final valuator? Why should he not have been the only valuator, instead of sending him in later? Why should a man like James Doherty have to submit to McCormack, and then Stewart, and then Ellis, and then a Lawson; and then the Minister of Power says, "We will put on a competent valuator and we will give him a fair valuation?" (Applause). I thank the honorable gentleman for calling attention to this matter.

It is, as I said a few moments ago, that these farmers should not have been harassed by these incompetent men who endeavored to force them to take small payments. First one agent, and then another agent, and then another agent, and then after a fourth agent they send, as the honorable gentleman says, a competent man. Mr. Speaker, I am pleased to learn they have at last come to the stage of competency—they were a long time coming to it, but if we accept the statement of the Honorable Minister, they have now reached the stage of competency; they have now secured a good valuator and assurance is rendered doubly sure by his statement that he is a Liberal. (Applause).

Now, Mr. Speaker, I have occupied the attention of the House at greater length than I had at first intended. Allow me to say that I think this debate—and I am glad to be able to say it, Sir—has been one of the most interesting Budget debates that I have had the pleasure of listening to. I have been in this House, Sir, since 1903, and I say it without reserve, that this debate compares favorably with any Budget debate that I have had the pleasure of taking part in.

GILLIES LIMIT.

I intended to say a word or two, Sir, about the Gillies Limit that has been referred to by the honorable gentleman. (Applause). I do not know whether the honorable member for Brockville is as guileless as he looks. His reference to the Gillies Limit would indicate that he was innocent abroad. The honorable member for North Huron followed in a similar strain. The honorable member for Brockville informs us that 1,200 acres of Gillies Limit have been sold; the honorable member for North Huron says that 2,000 acres have been sold. I do not quarrel about the exact figures. It is not always possible to get the exact figures. They tell us that 1,200 or 2,000 acres have been sold, and that there are 64,000 acres of the Gillies Limit unsold. Now, Sir, they say that 1,200 acres are sold—and these, of course, are mineralized lands—and they leave us to infer that the remaining 62,000 odd acres of this timber limit are also all mineralized. They do not say so. They are careful; they are almost guileless. (Laughter). We, Sir, are not innocent enough to think that you will find silver

and gold in the tree tops of the whole Gillies Limit. We have as yet no definite information whatever from this Government, although frequently requested to give some as to what portions of the limit were mineralized and what portions were not. (Applause).

GOVERNMENT OWNERSHIP.

This leads me to another point. The Prime Minister and the Government started out with reference to the Gillies Limit, and they announced with a tremendous flourish of trumpets that we were to have Government ownership and Government operation of this property. Sir, spent considerable money of the Province in getting information as to what portions of these Limits were mineralized and what were not. This House, Sir, has a right to know what information they got and what it cost them to get it. (Applause). Is the information bottled up still, or was it given out to intending purchasers or only to some of them? (Applause). Some of the Limits were hurriedly advertised, tenders were received, and sales were made, and I repeat the question, What became of the information that this Province paid for and that this Province was supposed to get the benefit of? I am very sorry indeed, Sir, that the Government has apparently fallen from the high pedestal of public ownership on which it placed itself with reference to the Gillies Limit. (Applause).

SUMMARY.

Now, Sir, in brief summary, let me say that I think I have fairly shown that with every succeeding financial statement of the Honorable the Provincial Treasurer there occurs and persistently recurs the same fact, namely, that the current expenditures are far in excess of the current receipts. (Applause). This debate, Sir, has further shown and has proven beyond a possibility of doubt that owing to the misguided, ill-conceived, ill-judged and bungling change of regulations of the Education Department for the Province of Ontario, there is to-day a state of chaos and demoralization in our Public School system which has never existed heretofore in the Province. (Applause). I make the statement deliberately, Sir, and I make it with a full knowledge of the responsibility of the position which I occupy, and I make it, Sir, with the hope that it will go forth to the farthest and most remote corner of the Province of Ontario, and that statement is, Sir, that there never has been in the whole history of the Province of Ontario such unsatisfactory conditions as exist to-day, and these are the result of blundering, senseless Departmental acts in so far as Departmental acts can affect our schools. (Applause).

Further, Sir, as to educational matters, it has been clearly demonstrated during this debate that the Government, having gone to very considerable expense with reference to the readers, made the mistake of not publishing them at cost, but handed the printing over to a huge departmental store, to the injury and detriment of every retail dealer in the Province of Ontario. (Applause).

Again, Sir, with reference to the question of the farmers' rights along the Hydro-Electric line, it has been proven beyond all possibility of doubt that the methods pursued by the Hydro-Electric Commission and their agents were most unfortunate, most undignified and most unworthy of the great Province of Ontario. (Applause). And this discussion, Sir, but brings out this further fact, and after all it is the main fact, that so far as the voice of this House is concerned—and we have not heard a voice to the contrary on either side of the House—all are willing to say to the Government, and all have practically said to the Government and the Commission: "Go forward by fair means; go forward by fair Acts and fair laws; act as advance agents of all the municipalities that are within striking distance of electric power, and secure for them power as cheap as the circumstances and conditions will allow." (Applause).

The further fact, Sir, is clear that the Government unfortunately in carrying out this large scheme—a scheme, so far as its object is concerned, upon which both sides of this House are united—I repeat that unfortunately in the carrying out of this large scheme the Government have passed extremely arbitrary legislation and have been guilty of unnecessary and arbitrary acts not only with respect to the farmers along the line, but with respect to the ratepayers of the municipalities themselves, and the Government has shown a lack of confidence and trust in the ratepayers and of the respective municipalities interested in much of their legislation. (Applause).

Now, Mr. Speaker, as I mentioned at the outset, by tacit arrangement the debate on the Address was kept within a narrow compass, and therefore it is that in the moving of an amendment to the motion now before the Chair, I must

necessarily traverse wider ground and cover subjects other than those of pure finance. I beg leave, therefore, to move, seconded by Mr. McDougall, that all the words in the motion after the first "that" be struck out and the following inserted:—

AMENDMENT.

"This House regrets that when a proper classification of current as distinguished from capital receipts and expenditures has been made, it clearly appears that the current expenditures for 1909 exceeded the current receipts, and this House therefore regrets that the Government is gradually depleting our forest wealth, while doing nothing by way of reforestation or otherwise to make this large source of revenue continuous and abiding.

"This House further regrets that because of the abolition of the Model Schools and of unwarranted and undesirable changes in regulations, the result is that about ten per cent. of the Public Schools of this Province are without qualified teachers, and there is confusion generally as to text books and their supply.

"This House further regrets that after the Government had spent a large amount of the moneys of the Province in making the necessary literary selections for the Public School readers, in furnishing illustrations, plates, electro-plating, and in actually setting up the type, etc., that it should have handed the printing of the said readers over to a Toronto departmental store at a price which does not at all represent the whole cost of the said readers, while regulating prices so as to induce the public generally to deal direct with the said Toronto departmental store, to the detriment and injury of the whole retail trade in all lines of this Province.

"This House regrets that the said readers are inferior to the old readers, both as to contents and make-up, and the primer is entirely wrong in conception, absolutely unfit for use in primary classes, and should be immediately withdrawn.

"This House further regrets that no practical steps have been taken by the Government to establish a system of Technical Schools throughout the Province, in which the mechanic and artizan may receive training supplemental to his practical training in the workshop.

"This House, while hereby approving of all legitimate means of supplying cheap power to the municipalities, further regrets that the Hydro-Electric Commission, in securing easements for a transmission line, did not pursue any systematic and equitable plan for the purchase of said easements, but practised a system of brow-beating and dickering entirely unworthy of this Province, and one which has led to absolutely inequitable results as to the amounts paid the farmers for the said easements.

"This House views with disappointment and alarm the denial, in recent enactments, of the fundamental right of the subject to access to the Courts of Justice for the determination of matters in controversy between subject and subject, and between subjects and the Crown."



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